

BOARD OF SUPERVISORS
COUNTY OF YORK
YORKTOWN, VIRGINIA

Resolution

At a regular meeting of the York County Board of Supervisors held in the Board Room, York Hall, Yorktown, Virginia, on the ____ day of _____, 2005:

Present

Vote

James S. Burgett, Chairman
Walter C. Zaremba, Vice Chairman
Sheila S. Noll
Kenneth L. Bowman
Thomas G. Shepperd, Jr.

On motion of _____, which carried ____, the following resolution was adopted:

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$16,000,000 GENERAL OBLIGATION SCHOOL BONDS OF THE COUNTY OF YORK, VIRGINIA TO BE SOLD TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY AND PROVIDING FOR THE FORM AND DETAILS THEREOF

WHEREAS, the Board of Supervisors (the "Board") of the County of York, Virginia (the "County") has determined that it is necessary and expedient to borrow not to exceed \$16,000,000 and to issue its general obligation school bonds to finance certain capital projects for school purposes; and

WHEREAS, the Board held a public hearing on September 20, 2005, on the issuance of the Bonds (as defined below) in accordance with the requirements of Section 15.2-2606, Code of Virginia of 1950, as amended (the "Virginia Code"); and

WHEREAS, the School Board of the County has requested by resolution the Board to authorize the issuance of the Bonds and has consented to the issuance of the Bonds; and

WHEREAS, the Bond Sale Agreement (as defined below) shall indicate that \$15,700,000 is the amount of proceeds requested (the "Proceeds Requested") from the Virginia Public School Authority (the "VPSA") in connection with the sale of the Bonds; and

WHEREAS, the VPSA's objective is to pay the County a purchase price for the Bonds which, in VPSA's judgment, reflects the Bonds' market value (the "VPSA Purchase Price Objective"), taking into consideration such factors as the amortization schedule the County has requested for the Bonds, the amortization schedules requested by other localities, the purchase price to be received by VPSA for its bonds and other market conditions relating to the sale of VPSA's bonds; and

WHEREAS, such factors may result in the Bonds having a purchase price other than par and consequently (i) the County may have to issue a principal amount of Bonds that is greater than or less than the Proceeds Requested in order to receive an amount of proceeds that is substantially equal to the Proceeds Requested, or (ii) if the maximum authorized principal amount of the Bonds set forth in section 1 below does not exceed the amount of the discount the purchase price to be paid to the County, given the VPSA Purchase Price Objective and market conditions, will be less than the Proceeds Requested;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF YORK, VIRGINIA:

1. Authorization of Bonds and Use of Proceeds. The Board hereby determines that it is advisable to contract a debt and to issue and sell general obligation school bonds of the County in the aggregate principal amount not to exceed \$16,000,000 (the "Bonds") for the purpose of financing certain capital projects for school purposes. The Board hereby authorizes the issuance and sale of the Bonds in the form and upon the terms established pursuant to this Resolution.

2. Sale of the Bonds. It is determined to be in the best interest of the County to accept the offer of VPSA to purchase from the County, and to sell to the VPSA, the Bonds at a price determined by the VPSA and accepted by the Chairman of the Board or the County Administrator and upon the terms established pursuant to this Resolution. The County Administrator and the Chairman of the Board, or either of them, and such officer or officers of the County as either of them may designate, are hereby authorized and directed to enter into the Bond Sale Agreement with the VPSA providing for the sale of the Bonds to the VPSA in substantially the form on file with the County Administrator, which form is hereby approved ("Bond Sale Agreement").

3. Details of the Bonds. The Bonds shall be issuable in fully registered form in denominations of \$5,000 and whole multiples thereof; shall be dated the date of issuance and delivery of the Bonds; shall be designated "General Obligation School Bonds, Series 2005" (or such other designation as the County Administrator may approve) shall bear interest from the date of delivery thereof payable semi-annually on each January 15 and July 15 (each an "Interest Payment Date"), beginning July 15, 2006, at the rates established in accordance with paragraph 4 of this Resolution; and shall mature on July 15 in the years (each a "Principal Payment Date") and in the amounts established in accordance with paragraph 4 of this Resolution. The Interest Payment Dates and the Principal Payment Dates are subject to change at the request of VPSA.

4. Principal Installments and Interest Rates. The County Administrator is hereby authorized and directed to accept the interest rates on the Bonds established by the VPSA, provided that each interest rate shall be no more than ten one-hundredths of one percent (0.10%) over the interest rate to be paid by the VPSA for the corresponding principal payment date of the bonds to be issued by the VPSA (the "VPSA Bonds"), a portion of the proceeds of which will be used to purchase the Bonds, and provided further, that the true interest cost of the Bonds does not exceed six percent (6%) per annum. The County Administrator is further authorized and directed to accept the aggregate principal amount of the Bonds and the amounts of principal of the Bonds coming due on each Principal Payment Date ("Principal Installments") established by the VPSA, including any changes in the Interest Payment Dates, the Principal Payment Dates and the Principal Installments which may be requested by VPSA provided that such aggregate principal amount shall not exceed the maximum amount set forth in paragraph one and the final maturity of the Bonds shall not be later than 21 years from their date. The execution and delivery of the Bonds as described in paragraph 8 hereof shall conclusively evidence such Interest Payment Dates, Principal Payment Dates, interest rates, principal amount and Principal Installments as having been so accepted as authorized by this Resolution.

5. Form of the Bonds. The Bonds shall be initially in the form of a single, temporary typewritten bond substantially in the form attached hereto as Exhibit A.

6. Payment; Paying Agent and Bond Registrar. The following provisions shall apply to the Bonds:

- (a) For as long as the VPSA is the registered owner of the Bonds, all payments of principal of, premium, if any, and interest on the Bonds shall be made in immediately available funds to the VPSA at or before 11:00 a.m. on the applicable Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption, or if such date is not a business day for Virginia banks or for the Commonwealth of Virginia, then at or before 11:00 a.m. on the business day next preceding such Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption;
- (b) All overdue payments of principal and, to the extent permitted by law, interest shall bear interest at the applicable interest rate or rates on the Bonds; and
- (c) SunTrust Bank, Richmond, Virginia, is designated as Bond Registrar and Paying Agent for the Bonds.

7. Prepayment or Redemption. The Principal Installments of the Bonds held by the VPSA coming due on or before July 15, 2015, and the definitive Bonds for which the Bonds held by the VPSA may be exchanged that mature on or before July 15, 2015, are not subject to prepayment or redemption prior to their stated maturities. The Principal Installments of the Bonds held by the VPSA coming due after July 15, 2015, and the definitive Bonds for which the Bonds held by the VPSA may be exchanged that mature after July 15, 2015, are subject to prepayment or redemption at the option of the

County prior to their stated maturities in whole or in part, on any date on or after July 15, 2015, upon payment of the prepayment or redemption prices (expressed as percentages of Principal Installments to be prepaid or the principal amount of the Bonds to be redeemed) set forth below plus accrued interest to the date set for prepayment or redemption:

<u>Dates</u>	<u>Prices</u>
July 15, 2015 to July 14, 2016, inclusive	101%
July 15, 2016 to July 14, 2017, inclusive	100.5
July 15, 2017 and thereafter	100;

Provided, however, that the Bonds shall not be subject to prepayment or redemption prior to their stated maturities as described above without first obtaining the written consent of the registered owner of the Bonds. Notice of any such prepayment or redemption shall be given by the Bond Registrar to the registered owner by registered mail not more than ninety (90) and not less than sixty (60) days before the date fixed for prepayment or redemption. The County Administrator is authorized to approve such other redemption provisions, including changes to the redemption dates set forth above, as may be requested by the VPSA.

8. Execution of the Bonds. The Chairman or Vice Chairman and the Clerk or any Deputy Clerk of the Board are authorized and directed to execute and deliver the Bonds and to affix the seal of the County thereto. The manner of such execution may be by facsimile, provided that if both signatures are by facsimile, the Bonds shall not be valid until authenticated by the manual signature of the Paying Agent.

9. Pledge of Full Faith and Credit. For the prompt payment of the principal of, and the premium, if any, and the interest on the Bonds as the same shall become due, the full faith and credit of the County are hereby irrevocably pledged, and in each year while any of the Bonds shall be outstanding there shall be levied and collected in accordance with law an annual ad valorem tax upon all taxable property in the County subject to local taxation sufficient in amount to provide for the payment of the principal of, and the premium, if any, and the interest on the Bonds as such principal, premium, if any, and interest shall become due, which tax shall be without limitation as to rate or amount and in addition to all other taxes authorized to be levied in the County to the extent other funds of the County are not lawfully available and appropriated for such purpose.

10. Use of Proceeds Certificate; Non-Arbitrage Certificate. The Chairman of the Board and the County Administrator, or either of them and such officer or officers of the County as either may designate are hereby authorized and directed to execute a Non-Arbitrage Certificate, if required by bond counsel, and a Use of Proceeds Certificate setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary in order to show compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations relating to the exclusion from gross income of interest on the Bonds and on the VPSA Bonds. The Board covenants on behalf of the County that (i) the proceeds from the issuance and sale of the Bonds will be invested and expended as set forth in such Use of

Proceeds Certificate and the County shall comply with the covenants and representations contained therein and (ii) the County shall comply with the provisions of the Code so that interest on the Bonds and on the VPSA Bonds will remain excludable from gross income for federal income tax purposes.

11. State Non-Arbitrage Program; Proceeds Agreement. The Board hereby determines that it is in the best interests of the County to authorize and direct the County Treasurer to participate in the State Non-Arbitrage Program in connection with the Bonds. The County Administrator and the Chairman of the Board, or either of them and such officer or officers of the County as either of them may designate, are hereby authorized and directed to execute and deliver a Proceeds Agreement with respect to the deposit and investment of proceeds of the Bonds by and among the County, the other participants in the sale of the VPSA Bonds, the VPSA, the investment manager, and the depository substantially in the form on file with the County Administrator, which form is hereby approved.

12. Continuing Disclosure Agreement. The Chairman of the Board and the County Administrator, or either of them, and such officer or officers of the County as either of them may designate are hereby authorized and directed (i) to execute a Continuing Disclosure Agreement, as set forth in Appendix F to the Bond Sale Agreement, setting forth the reports and notices to be filed by the County and containing such covenants as may be necessary in order to show compliance with the provisions of the Securities and Exchange Commission Rule 15c2-12 and (ii) to make all filings required by Section 3 of the Bond Sale Agreement should the County be determined by the VPSA to be a MOP (as defined in the Continuing Disclosure Agreement).

13. Filing of Resolution. The appropriate officers or agents of the County are hereby authorized and directed to cause a certified copy of this Resolution to be filed with the Circuit Court of the County.

14. Further Actions. The County Administrator, the Chairman of the Board, and such other officers, employees and agents of the County as either of them may designate are hereby authorized to take such action as the County Administrator or the Chairman of the Board may consider necessary or desirable in connection with the issuance and sale of the Bonds and any such action previously taken is hereby ratified and confirmed.

15. Effective Date. This Resolution shall take effect immediately.

The undersigned Clerk of the Board of Supervisors of the County of York, Virginia, hereby certifies that the foregoing constitutes a true and correct extract from the minutes of a meeting of the Board of Supervisors held on September 20, 2005, and of the whole thereof so far as applicable to the matters referred to in such extract. I hereby further certify that such meeting was a regularly scheduled meeting and that, during the consideration of the foregoing resolution, a quorum was present. The front page of this Resolution accurately records (i) the members of the Board of Supervisors present at the meeting, (ii) the members who were absent from the meeting, and (iii) the vote of each member, including any abstentions.

WITNESS MY HAND and the seal of the Board of Supervisors of the County of York, Virginia, this 20th day of September, 2005.

Clerk, Board of Supervisors
of the County of York, Virginia